

Division of Financial Management

Analyst: Hancock

Historical Summary

OPERATING BUDGET	FY 2006 Total App	FY 2006 Actual	FY 2007 Approp	FY 2008 Request	FY 2008 Gov Rec
BY FUND CATEGORY					
General	2,082,200	2,053,100	2,081,000	2,271,400	1,692,800
Dedicated	98,000	89,400	32,100	177,800	5,210,100
Total:	2,180,200	2,142,500	2,113,100	2,449,200	6,902,900
Percent Change:		(1.7%)	(1.4%)	15.9%	226.7%
BY OBJECT OF EXPENDITURE					
Personnel Costs	1,990,800	1,832,100	1,921,800	2,150,800	3,243,300
Operating Expenditures	189,400	288,300	191,300	298,400	3,593,600
Capital Outlay	0	22,100	0	0	66,000
Total:	2,180,200	2,142,500	2,113,100	2,449,200	6,902,900
Full-Time Positions (FTP)	24.00	24.00	24.00	24.00	41.00

Division Description

FINANCIAL MANAGEMENT

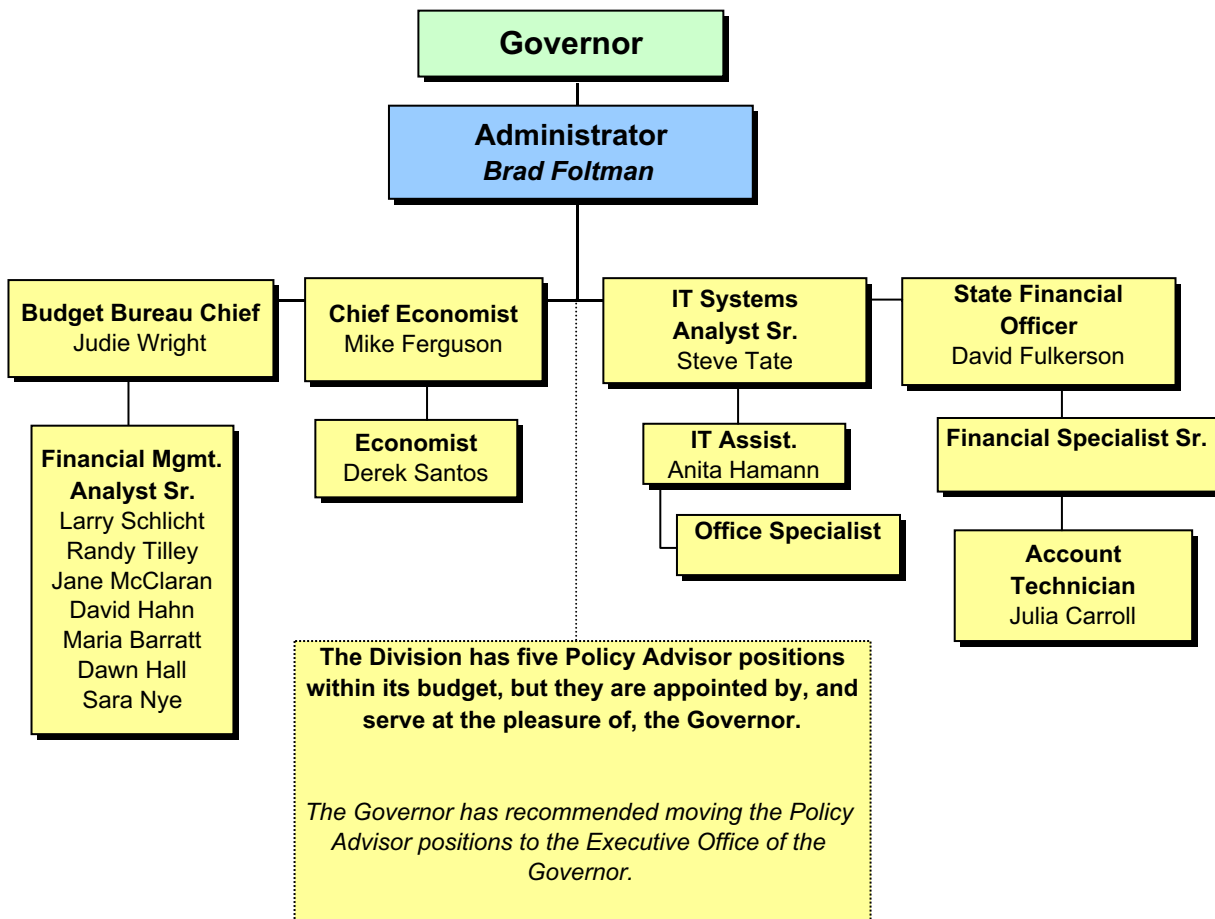
The mission of this program is to support the Governor's vision of short and long-term policies through effective resource allocation. Financial Management seeks to improve agency service delivery at the point of citizen impact by developing, monitoring, and publicizing performance outcomes, facilitating the development of the Executive Budget recommendation, and providing a proactive policy resource for the Governor to shape Idaho's future. Financial Management consists of four main administrative units: Budget, Policy, Economic and Management Services.

[Statutory Authority: Idaho Code §67-1910 - 1918]

Division of Financial Management

Agency Profile

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Sources of Funds

**FY 2006
Actual***

General Funds (0001): Individual income tax, corporate income tax, sales tax, cigarette tax, beer tax, wine tax, liquor surcharge, kilowatt hour tax, mine license tax, Treasurer's interest on investments of certain idle state funds, court fees and fines, insurance premium tax, sale of alcoholic beverage licenses, unclaimed property, articles of incorporation and uniform commercial code filing fees, estate and transfer tax, and other miscellaneous sources from various agency receipts.

\$2,111,984

Miscellaneous Revenue (0349): Interagency billings for accounting fees to Governor's Office and small agency accounting and budgeting services; and publication subscriptions.

\$31,219

\$2,143,203

*\$58,179 is included in General Funds for 27th payroll; however, the General Fund's share of the division's 27th payroll was actually appropriated one-time from Economic Recovery Reserve Fund.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2007 Original Appropriation	24.00	2,081,000	2,113,100	24.00	2,081,000	2,113,100
Expenditure Adjustments	0.00	0	140,000	0.00	0	140,000
FY 2007 Estimated Expenditures	24.00	2,081,000	2,253,100	24.00	2,081,000	2,253,100
Removal of One-Time Expenditures	0.00	0	0	0.00	0	(140,000)
FY 2008 Base	24.00	2,081,000	2,253,100	24.00	2,081,000	2,113,100
Benefit Costs	0.00	34,300	34,800	0.00	0	0
Inflationary Adjustments	0.00	3,000	3,100	0.00	0	0
Change in Employee Compensation	0.00	63,100	68,200	0.00	90,100	97,400
FY 2008 Program Maintenance	24.00	2,181,400	2,359,200	24.00	2,171,100	2,210,500
1. IT Support	0.00	90,000	90,000	0.00	40,000	40,000
2. Gov's Initiative: HR Services	0.00	0	0	8.00	0	821,500
3. Gov's Initiative: Agency Accounting	0.00	0	0	2.00	0	162,700
4. Gov's Initiative: ITRMC	0.00	0	0	6.00	0	1,001,700
5. Gov's Initiative: IT Communications Service	0.00	0	0	6.00	0	3,184,800
6. Gov's Initiative: Transfer Policy Advisors	0.00	0	0	(5.00)	(518,300)	(518,300)
7. Gov's Initiative: Drug Czar	0.00	0	0	0.00	0	0
FY 2008 Total	24.00	2,271,400	2,449,200	41.00	1,692,800	6,902,900
Change from Original Appropriation	0.00	190,400	336,100	17.00	(388,200)	4,789,800
% Change from Original Appropriation		9.1%	15.9%		(18.7%)	226.7%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2007 Original Appropriation	24.00	2,081,000	32,100	0	2,113,100

Expenditure Adjustments

Non-Cog spending authority in FY 2007 for Drug Czar program. Funding was provided by funds transferred from the following agencies: Department of Health & Welfare (\$42,000), Department of Correction (\$35,000), Department of Juvenile Corrections (\$28,000), Idaho State Police (\$28,000), and Idaho Transportation Department (\$7,000).

Agency Request	0.00	0	140,000	0	140,000
Governor's Recommendation	0.00	0	140,000	0	140,000

FY 2007 Estimated Expenditures					
Agency Request	24.00	2,081,000	172,100	0	2,253,100
Governor's Recommendation	24.00	2,081,000	172,100	0	2,253,100

Removal of One-Time Expenditures

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	(140,000)	0	(140,000)

FY 2008 Base					
Agency Request	24.00	2,081,000	172,100	0	2,253,100
Governor's Recommendation	24.00	2,081,000	32,100	0	2,113,100

Benefit Costs

Restores funding for one health insurance holiday taken in FY 2007. Also includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 4.9% or \$350 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees. Other benefit changes include minor adjustments in unemployment insurance rates and workers compensation rates.

Agency Request	0.00	34,300	500	0	34,800
<i>The Governor recommends that all health insurance related adjustments be funded by program changes or utilizing reserves available in the group insurance contract. As the PERSI Board voted to maintain the current contribution rate for the upcoming fiscal year, no adjustment to retirement rates is necessary.</i>					
Governor's Recommendation	0.00	0	0	0	0

Inflationary Adjustments

Inflationary adjustment of 1.81% for operating costs.

Agency Request	0.00	3,000	100	0	3,100
<i>Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended.</i>					
Governor's Recommendation	0.00	0	0	0	0

Change in Employee Compensation

Reflects the calculated cost of a 3.5% salary increase for permanent and group positions.

Agency Request	0.00	63,100	5,100	0	68,200
<i>The Governor recommends a compensation increase of 5% to be distributed based on merit.</i>					
Governor's Recommendation	0.00	90,100	7,300	0	97,400

FY 2008 Program Maintenance					
Agency Request	24.00	2,181,400	177,800	0	2,359,200
Governor's Recommendation	24.00	2,171,100	39,400	0	2,210,500

1. IT Support

The Division is converting a current vacant position to provide additional IT staffing to support the IT needs of DFM, Governor's Office, and Lt Governor's office. This decision unit provides \$40,000 in one-time programming funding to upgrade the Divisions budget system, and \$50,000 in ongoing funding to support the enhanced IT capacities to support the three offices.

Agency Request	0.00	90,000	0	0	90,000
<i>The Governor recommends the one-time funding only. This is the Governor's seventh priority for this agency.</i>					
Governor's Recommendation	0.00	40,000	0	0	40,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Gov's Initiative: HR Services					
Agency Request	0.00	0	0	0	0
<i>Governor's Initiative - The Governor recommends that the Division of Financial Management (DFM) provide statewide human resource policy formulation and interpretation, to include such things as the statewide compensation plan and point factoring of all personnel classifications. DFM will certify state agency human resource (HR) programs as the basis for delegation to agencies of HR functions and provide oversight of agency implementation of delegated functions. DFM will also be responsible for HR rules and providing staff support for the Idaho Personnel Commission. This recommendation provides for 8.0 FTP (one IT position and seven positions to provide human resource functions). Funding is also provided for the Idaho Personnel Commission, contract services, and legal counsel. This is the Governor's first priority for this agency.</i>					
Governor's Recommendation	8.00	0	821,500	0	821,500
3. Gov's Initiative: Agency Accounting					
Agency Request	0.00	0	0	0	0
<i>Governor's Initiative - The Governor recommends that the small agency accounting services be performed by the Division of Financial Management. This recommendation provides for 2.0 FTP (financial specialists) and operating expenditures. This is the Governor's second priority for this agency.</i>					
Governor's Recommendation	2.00	0	162,700	0	162,700
4. Gov's Initiative: ITRMC					
Agency Request	0.00	0	0	0	0
<i>Governor's Initiative - The Governor recommends establishing the Information Technology and Resource Management Council (ITRMC) in the Division of Financial Management. This is the Governor's third priority for this agency.</i>					
Governor's Recommendation	6.00	0	1,001,700	0	1,001,700
5. Gov's Initiative: IT Communications Ser					
Agency Request	0.00	0	0	0	0
<i>Governor's Initiative - The Governor recommends establishing the Network and Telephone Services Bureau in the Division of Financial Management. Funding includes one-time dollars for equipment purchases and ongoing operating expenditures for contracting of services. This is the Governor's fourth priority for this agency.</i>					
Governor's Recommendation	6.00	0	3,184,800	0	3,184,800
6. Gov's Initiative: Transfer Policy Advisor					
Agency Request	0.00	0	0	0	0
<i>Governor's Initiative - The Governor recommends the policy advisors that currently reside in the Division of Financial Management be transferred to the Executive Office of the Governor. This is the Governor's fifth priority for this agency.</i>					
Governor's Recommendation	(5.00)	(518,300)	0	0	(518,300)
7. Gov's Initiative: Drug Czar					
Agency Request	0.00	0	0	0	0
<i>Governor's Initiative - The Governor recommends that the position of Drug Czar be transferred to the Executive Office of the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2008 Total					
Agency Request	24.00	2,271,400	177,800	0	2,449,200
Governor's Recommendation	41.00	1,692,800	5,210,100	0	6,902,900
Agency Request					
Change from Original App	0.00	190,400	145,700	0	336,100
% Change from Original App	0.0%	9.1%	453.9%		15.9%
Governor's Recommendation					
Change from Original App	17.00	(388,200)	5,178,000	0	4,789,800
% Change from Original App	70.8%	(18.7%)	16,130.8%		226.7%